BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

	)	GEN DOCKET NO. 90-314
	)	ET DOCKET NO. 92-100
IN THE MATTER OF	)	
	)	RM-7140, RM-7175, RM-7617,
AMENDMENT OF THE	)	RM-7618, RM-7760, RM-7782,
COMMISSION'S RULES TO	)	RM-7860, RM-7977, RM-7978,
ESTABLISH NEW PERSONAL	)	RM-7979, RM-7980
COMMUNICATIONS SERVICES	)	
	)	PP-35 THROUGH PP-40, PP-79
	)	THROUGH PP-85

COMMENTS OF SOUTHWESTERN BELL CORPORATION

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SUMMARY

The *Notice Of Proposed Rule Making* seeks comment on a wide variety of issues concerning personal communications services ("PCS") and personal communications networks ("PCNs"). The issues fall in three major categories: (1) narrowband 900 MHz PCS; (2) 2 GHz PCS; and (3) technical issues.

Southwestern Bell Corporation ("SBC") believes that the narrowband 900 MHz PCS issues can be addressed separately because they do not involve all the complicated and detailed issues associated with the use of PCS in the 2 GHz spectrum. The 930-931 MHz spectrum should be made available for advanced messaging services.

The Commission identifies four values to be assessed in allocating, licensing, and regulating 2 GHz PCS - universality, expeditious deployment, diversity, and competition. SBC believes that these values or principles will be advanced by:

1. Allowing all qualified providers, including existing providers, to be eligible for PCS spectrum licensing;

2. Treating all PCS providers equally in terms of regulation and license areas; and

3. Avoiding rules which give any PCS provider an unnecessary or undue advantage in the marketplace.

In terms of PCS technical rules and requirements, SBC believes that the Commission should:

1. Expressly permit the use of active avoidance (signal level measurement) techniques to determine

potential PCN interference to microwave systems and to dynamically avoid such interference;

2. Reconsider its proposal on unlicensed PCS devices;

3. Not impose low power restrictions on PCS;

4. Encourage the development of industry standards relating to the use of universal handsets, a common air interface, and sharing of spectrum by new PCS offerings and fixed microwave systems;

5. Not mandate a particular type of interconnection for PCS; and

6. Allow local exchange carriers ("LECs") to apply for the same amount of 2 GHz spectrum as other new PCS providers rather than limiting LECs to 10 MHz in their local market areas.

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COMMENTS OF SOUTHWESTERN BELL CORPORATION

Southwestern Bell Corporation ("SBC"), on behalf of its operating subsidiaries and affiliates, submits these comments in response to the Commission's *Notice of Proposed Rule Making and Tentative Decision* (hereafter "*NPRM*") released August 14, 1992 in the above referenced matter.[1]

I. INTRODUCTION.

The *NPRM* laudably seeks to make personal communications services ("PCS") a reality in the United States and to do so quickly. However, the Commission should recognize that many PCS applications are in their infancy and that their success will depend more on technological developments and customer demand than on regulatory mandate or encouragement. In any event, as stated in these comments, rapid PCS deployment will be better facilitated by open market entry, technical flexibility, and by rules which

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[1] *In the Matter of Amendment of the Commission's Rules to Establish New Personal Communications Services*, GEN Docket No. 90-314, *et al.* (released August 14, 1992).

allow existing and newly authorized PCS providers to compete on the same basis.

More specifically, SBC believes there should be a clear demarcation between the 900 MHz and 2 GHz issues. The narrowband 900 MHz allocation can be handled separate from 2 GHz issues. The 2 GHz bands and their potential reallocation require more detailed analysis and consideration than 900 MHz PCS. Absent the utilization of effective spectrum sharing techniques and strong interference protection criteria, the 2 GHz proposal will require the relocation of a large number of existing users. Allocation of the 2 GHz spectrum also raises questions on who should be allowed to use that spectrum; how much use should be allowed; how many providers should be allowed to use the spectrum and in what areas; and what regulation should be applied to PCS use.

No "qualified" entity should be declared ineligible or barred from having a PCS license. Free and open market entry should be allowed so that multiple providers - including cellular, specialized mobile radio ("SMR"), paging, and local exchange carriers as well as cable companies and new entrepreneurs - can bring their varied talents and resources to stimulating the development of PCS.

Most of all, SBC believes that the Commission should recognize the principle of competitive parity. The 2

GHz licensed service areas should be no larger than those licensed to cellular carriers (i.e., MSAs/RSAs). The Commission should not make more spectrum available for personal communications networks ("PCNs") than it has made available for cellular providers in each market. Furthermore, the Commission should regulate all PCS providers (including cellular) on the same basis, and should not segment the market through unnecessary and unequal regulation.

In the detailed comments which follow, SBC discusses a number of these issues and demonstrates that its proposals on such issues are reasonable and in the public interest.

II. 900 MHz SPECTRUM.

A. The 900 MHz Issues Should Be Resolved Separately.

In the *NPRM*, the Commission discusses a number of issues relating to narrowband services in the 930-931 MHz band. The Commission proposes to allocate 3 MHz in that band for the use of narrowband PCS.[2] Among such services is narrowband advanced messaging. Notably, the 930-931 MHz band is presently reserved for the use of advanced messaging services.

As stated in RM-7617, the 930-931 MHz band is still needed for advanced messaging services, and should not be reallocated for broadband voice, or any other type of PCS

[2] *NPRM*, para. 49.

use.[3] Almost all of the comments in RM-7617 support the allocation of the 930-931 MHz band for narrowband advanced messaging services.

The proposed 900 MHz allocation raises few controversial issues. The 930-931 MHz band is not subject to the relocation problems associated with the 2 GHz bands; its uses are more susceptible to wide area and national licensing; and the allocation of the 930-931 MHz band can be accommodated without substantial change in current policies and rules. A decision on the 930-931 MHz band should not be rolled into and decided with the more complicated issues associated with the 2 GHz spectrum,[4] but should be decided in a separate *NPRM*.

B. Licensing Of The 900 MHz Spectrum Should Be Open And Should Be On A Regional Basis.

The Commission appears to tentatively conclude that Mtel, because of a pioneer preference grant, may be the only eligible applicant for a license in the 930-931 MHz band.[5]

Such a ruling would be inimical to competition in the provision of advanced messaging services. It would also

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[3]Narrowband advanced messaging services should be broadly defined to include data, imaging, and to a lesser extent voice type services.

[4]For example, the 930-931 MHz band does not involve the potential of relocating existing users or spectrum sharing because there are no current users of the band.

[5]*Tentative Decision*, para. 151.

violate the basic principle underlying the pioneer preference rules - to reward innovation through a licensing preference, and not through an all-exclusive grant.

The Commission should not limit award eligibility in this band to Mtel. Others, including those who have not filed for a pioneer preference, should be allowed to apply for such licenses, and their applications should be considered on the merits prior to the Commission making a final grant. By taking this action, the Commission will maximize, not limit, market opportunities and will advance the public interest in service diversity, competition, and service availability.

To further facilitate competition and technological innovation in this area, the Commission should select the alternative of dividing the 930-931 MHz band into separate 25 or 50 KHz blocks. Allocating separate blocks will allow more providers to have access to this spectrum and to use it in technologically different ways. Both results would be in the public interest.[6]

The Commission also seeks comment on the appropriate geographic scope of the 900 MHz service areas.[7] SBC believes that the Commission should allocate the 900 MHz narrowband PCS channels on a regional basis. SBC suggests, in this context, that the regional allocations be determined

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[6]*NPRM*, para. 52.

[7]*NPRM*, para. 62.

using either the 10 Standard Federal Government Regions or the Census Bureau's 9 divisions.

C. Regulation Of The Narrowband 900 MHz Services Should Be Equal For All Licensees.

The Commission seeks comment on how narrowband PCS in the 900 MHz band should be regulated.[8] The issue principally concerns whether such regulation should be on a private carrier or a common carrier basis. Because of various Commission rulings, the distinction between private carriers and common carriers has become increasingly blurred.[9] Private and common carriers are, in many cases, providing identical or nearly identical wireless services. Consequently, there is no legitimate basis for any different level of regulation being applied to those carriers' service offerings. Any regulation applied to narrowband PCS should be equal for all providers of the service. Otherwise, the Commission will be creating an unfair and unlevel competitive environment.

Specifically, if any PCS provider is deemed a common carrier, then all PCS providers should be regulated as common carriers. This will ensure that there is competitive equity. However, SBC does not thereby suggest

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[8] *NPRM*, paras. 94-98.

[9] Such rulings include allowing Fleet Call (an SMR operator) to provide cellular-like services in six major metropolitan areas in competition with existing cellular service providers and reducing loading and other requirements on the provision of specialized mobile radio services.

that the Commission should increase regulation of PCS providers. To the contrary, SBC agrees with the Commission's general statement that PCS regulation should be minimal.

III. 2 GHz SPECTRUM.

A. Definition Of Service.

The commonly accepted definition of PCS properly encompasses a broad array of existing and future potential services. Ideally, it will involve multiple services, multiple service providers, and multiple types of networks. The Commission recognizes that PCS is "a family of mobile or portable radio communications which could provide services to individuals and business, and be integrated with a variety of competing networks."[10]

The key is that the marketplace - as opposed to premature and confining regulatory pronouncements - should determine the scope and future of PCS. Optimally, PCS will include services provided not only over PCNs,[11] but also over cellular, local exchange carrier ("LEC"), advanced paging, and other networks. PCS will also optimally include intelligent inter-networking, allowing those services to be provided in a seamless fashion over multiple networks (i.e.,

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[10]*NPRM*, para. 29.

[11]The Commission should expressly recognize that PCNs are wireless access technologies and not services per se. PCS, on the other hand, includes multiple types of access technologies, including but not limited to PCNs.

with virtual transparency in terms of the mode of transmission to the end user customer).

For purposes of defining PCS, it should be recognized that the early examples of PCS have been delivered in various forms and over various networks by a number of cellular, paging, and other companies. The 2 GHz spectrum reallocation will simply make more spectrum available for more PCS. Thus, new PCS is but an addition to existing PCS, and it is in that context that the PCS issues should be evaluated.

B. The Commission Should Not Grant Spectrum Allocation Preferences To New 2 GHz Providers Of PCS.

The Commission proposes to reallocate 110 MHz of the 2 GHz spectrum for the long term use of PCS. The Commission further proposes to grant three or more new PCN licenses in each market area and to assign 30 MHz to each of the new PCS licensees.[12]

When it initially allocated spectrum for cellular use, the Commission only assigned a total of 40 MHz in two blocks of 20 MHz for each provider with 10 MHz held in reserve. Here, the Commission would more than double that assignment for PCS.[13] As stated in SBC's comments in this

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[12]*NPRM*, paras. 32, 34, 36.

[13]If three new providers are authorized and assigned either 25 or 30 MHz a piece, the spectrum assignment would total either 75 or 90 MHz. If more than three new providers are authorized, it appears that the amount of assigned spectrum would proportionately increase (*e.g.*, four carriers

Docket and in ET Docket No. 92-9, such a large allocation has not been sufficiently justified.[14] It is not known, at this time, whether PCN systems will be particularly viable or whether there will be sufficient customer demand to justify a separate allocation for PCS of 90 to 110 MHz in the currently utilized 2 GHz band.

If two new PCS providers are authorized, SBC recommends that the Commission only allocate a total of 40 MHz of the 2 GHz spectrum (20 MHz to each service provider) for PCS with 10 to 20 contiguous MHz held in reserve for expansion or for an additional provider.[15] This approach would recognize that more research and experimentation into the use of PCNs and spectrum sharing is needed before making potentially premature spectrum allocation decisions and before unnecessarily displacing many of the existing users of the 2 GHz spectrum.

A phased approach of this nature - limiting the initial allocation and adding more spectrum as needed -

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could require 100 or 120 MHz).

[14]*Supplemental Comments Of SBC*, GEN. Docket No. 90-314, pp. i-ii, 4-9 (January 9, 1992); *Comments Of SBC*, ET Docket No. 92-9, pp. i, 1-7 (June 5, 1992).

[15]An additional 5 MHz or a total per provider of 25 MHz may be necessary in an intelligent spectrum sharing environment. The Commission may want to allocate 25 MHz to each provider in some markets (*e.g.*, Los Angeles or Houston) where there is a high level of concentrated fixed microwave usage, and 20 MHz in other markets where there is less microwave usage (*e.g.*, Washington, D.C.). Such an allocation would permit the Commission to observe PCS development in both sharing and non-sharing situations.

would also encourage spectral efficiency. By limiting the amount of spectrum to the amount initially allocated to cellular, the Commission would be encouraging PCS innovation and the development of enhanced spectrum utilization techniques. With limited allotments, cellular companies had to, and did, speed the movement from conventional to more advanced cellular systems, and they have now started the process of converting from analog to digital cellular systems. Each of these developments was stimulated, in whole or in part, by the need to find new ways to operate more efficiently within a limited spectrum allocation block. If the Commission allocates too much spectrum for the use of PCN systems, it would in effect be discouraging the development of similar innovations and efficiencies by the newly licensed providers. Thus, the Commission should proceed with caution and should scale down its proposed spectrum reallocation.

A phased approach, as described above, would be further in sinc with and would promote the concept of competitive equity. If newly licensed providers of PCS are granted more spectrum than existing cellular PCS providers, they will have a decided cost and spectrum resource advantage over the cellular carriers. A cost advantage will exist because the new PCS providers will not be burdened, as are existing cellular and SMR providers, with the requirement to serve using both existing analog and future

digital systems. A resource advantage will exist because the Commission will be granting newly licensed providers at least 5 MHz more spectrum than existing cellular PCS providers. In fact, even at 30 MHz or 25 MHz, the respective allocations are not comparable. Until cellular fully converts to digital, which will take time and considerable expense, it will have roughly a third of the actual capacity with 25 MHz than would be available for immediate use by a newly licensed PCS provider with 30 MHz.

If the Commission decides to allocate a portion of the 2 GHz spectrum for new PCS, it should attempt to equalize the PCS assignments at 20 MHz thereby making the 2 GHz assignments somewhat more comparable to the amount of spectrum available to each cellular carrier for PCS and other uses. In the alternative, the Commission should grant cellular carriers more spectrum for PCS use within their existing service areas. This alternative would involve assigning cellular carriers between 5 MHz and 10 MHz in additional spectrum within the 800 and 900 MHz bands.[16]

Unless the practical difference in spectrum assignments is recognized and somehow equalized, the Commission will be creating a huge and unreasonable competitive preference for the new PCS providers. Indeed,

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[16]Ideally, the additional assignments should be in bands that are contiguous with the existing cellular bands. As noted in *Fleet Call's Petition For Rule Making* in RM-7985, there are large amounts of fallow spectrum in the 800 MHz band which could be reclaimed for cellular-PCS use.

several of the *NPRM's* proposals do just that by potentially giving PCN providers more spectrum, larger license areas and other preferences not available to existing PCS providers. Such discriminatory preferences are not only unfair and anticompetitive, but in SBC's view, are patently illegal.

It is also not necessary to license at least 3, and possibly more, additional PCS providers in each market in order to promote diversity and competition.[17] The number of PCS providers or their identity does not create competition. A choice among service providers stimulates and ensures adequate competition. Furthermore, a choice would exist, even if the Commission were to allocate all 110 MHz of the 2 GHz spectrum to existing cellular providers, because there are already at least two such providers in each market.[18]

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[17]There are already two cellular PCS providers in each market, and a potential enhanced SMR provider in the six largest markets. By authorizing 3 additional new PCS providers in each market, the Commission would be bringing the total number of PCS providers to five or six. SBC recognizes that the Commission may be questioning a perceived absence of effective competition in a two provider market. SBC disputes this perception. There has in fact been considerable effective competition in these markets. Cellular services have exponentially grown and there have been few complaints from customers regarding either their service or their rates.

[18]SBC is not suggesting that the Commission only allocate this spectrum to cellular carriers. Rather, it is questioning the apparent claim that 3 or more additional providers are necessary to facilitate effective competition in each market. There is no valid support for that contention.

Under the Commission's proposal, there would be at least 5 or 6 PCS providers in each market (2 cellular, 1 SMR, and 3 or more PCN). Authorizing so many PCS providers could severely fragment the market and may make it unlikely that any carrier could succeed. The PCN and CT-2 experience in the United Kingdom supports the conclusion that authorizing too many service providers can create customer confusion, fragment the market, impede new service development, and create inefficiencies through the existence of multiple redundant networks. Thus, it is not necessary for there to be 5 to 6 carriers in each market to facilitate competition, and the Commission could actually be slowing PCS development in each market by authorizing that number of competitive service providers.

C. The Commission Should Allow All Qualified Applicants To Be Eligible For PCS Licensing.

In the *NPRM*, the Commission indicates that it is considering allowing all qualified providers (including cellular carriers and LECs) to participate in the provision of PCS.[19] SBC supports this tentative determination. All "qualified" applicants should be eligible to apply for a new PCS license, and there should not be eligibility restrictions placed on particular types of potential new PCS licensees. In addition, if the Commission is truly committed to speeding deployment, universality and

[19]*NPRM*, paras. 63 through 81.

competitive diversity in the provision of PCS, it should encourage cellular carrier as well as LEC participation in such markets.

Various SBC subsidiaries have been participating extensively in detailed research and experimentation into PCS capabilities and in the general evolution of PCS. For example, Southwestern Bell Personal Communications, Inc. ("SBPC") has been conducting an experiment in Houston, Texas that will speed the deployment of PCS through a dynamic active avoidance technique that will allow new PCS services to share 2 GHz spectrum without interference to existing fixed microwave systems.[20] In addition, SBC's cellular subsidiary, along with AT&T, conducted the first fully integrated microcellular demonstration at the West Port Plaza area in St. Louis, Missouri. The public will ultimately benefit from these and other SBC wireless activities, and the Commission should not discourage them by limiting SBC's subsidiaries participation in PCS.

Denying or unduly limiting cellular participation would be particularly troublesome because it could stop or slow the natural evolution and growth of cellular into more personal-based mobile services. It could also eliminate a very serious and committed group of experienced competitors, who may have the best ability to make this market grow (as

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[20]The technique is known as Intelligent Multiple Access Spectrum Sharing ("IMASS").

they have with cellular).[21] Because of their experience in providing wireless services, their track record in providing high quality radio services, and their existing networks, cellular carriers should be viewed as ideal participants and as better able to bring PCS and PCN-based systems to the market in an efficient and expeditious manner. Others, who may have little or no experience in wireless communications, may not be able to introduce the services, or at least not as quickly or efficiently. Thus, limiting the market to non-cellular and non-LEC competitors would not be as likely to further all of the Commission's stated goals.[22]

LEC participation should be encouraged. The LECs are uniquely positioned with their existing network infrastructures and industry experience to provide the

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[21]Indeed, such a limitation would be patently inconsistent with the Commission's proposal to amend its rules to make it clear that cellular carriers can use their cellular frequencies to provide PCS. *NPRM*, para. 70. SBC strongly supports that proposal.

[22]In no event should cellular carriers be limited or barred from participating in areas where they do not hold a cellular license or where they do not have a substantial interest (greater than 10%) in an existing cellular operation. Many mistakenly believe that cellular companies affiliated with a wireline LEC hold cellular licenses or have substantial interests in <u>each</u> of that wireline LEC's service areas. This is simply not true. Licenses were transferred or traded during the settlement process, and there are a number of instances where the LEC's cellular affiliate does not have a cellular license in the wireline company's service area or a substantial interest in any cellular licensee in that service area. For example, SBC's telephone subsidiary provides service in Houston, Texas, but SBC's cellular subsidiary has only a 2.2% partnership interest in that area. The majority owner in Houston is GTE which acquired that interest through settlement.

network intelligence and inter-operable networking features that will be critical to the long term success and accessibility of PCS across all networks and product lines. The LECs have nearly ubiquitous distribution capabilities, which are either embedded in or could be offered via their public switched networks. They also have existing local business offices, sales forces, and maintenance crews which could be used in such provisioning.

It would be patently unfair to prohibit LECs from utilizing new capabilities such as wireless access to offer services which complement and to some extent replace traditional exchange services. The LECs should be given the opportunity to grow their business just as fast as their competitors and to better serve their customers with new technologies.[23]

Indeed, the LECs may be better positioned to move more quickly in making PCS available to a wider range of environments, including residential areas. In this regard, the LECs have a proven capability of providing high quality

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[23]Technologically limiting the LECs to certain technologies and services could well lead, over time, to their eventual economic demise or at least to a reduction in their ability to be viable and progressive full service competitors. It could also provide a significant disincentive to the LECs in terms of adding investment in infrastructure. As Commissioner Barrett has recognized there is a need to give the LECs new investment incentives and the prospect of marketing unique custom-tailored end-to-end services. Limiting LEC participation in PCS would be flatly inconsistent with that principle. *See Remarks by Andrew C. Barrett at the Telco-Cable III, Conference*, pp. 8, 10 (October 3, 1991).

services to residential customers. Thus, allowing the LECs to compete for a PCS license in their local service areas could further the public interest by making PCS more expeditiously and widely available.

As indicated, it is clear that arbitrary eligibility restrictions make no sense. If the Commission is truly intent on stimulating the PCS market, growing the U.S. job base and economy, as well as promoting both diversity and true competition in the provision of PCS, it should not impose severely limiting eligibility restrictions on the industry or on particular segments of the industry. Such restrictions would not be in the public interest because they would hinder progress and would discourage and/or prevent participation by some of the largest U.S. radio and telecommunications firms.[24] Absent clear and convincing evidence that either the cellular companies or the LECs would be certain to monopolize or substantially

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[24]Significantly, the Commission has proposed no eligibility restrictions on cable television firms either inside or outside their service territories, despite the fact that they, too, can provide service to almost all U.S. homes. Quite the contrary, in its October 8, 1992 action in this Docket, the Commission granted a tentative pioneer preference to Cox Cable for its provision of PCS. It would indeed be ironic and unjustifiable if the Commission were to impose eligibility restrictions on the very firms (cellular and LECs) which have brought wireless services to their current state, while granting other less experienced firms a preference.

limit competition in these markets - and there is none - no legitimate basis exists for limiting their participation.[25]

In any event, other far less restrictive and inhibiting measures are available, such as nonstructural safeguards, to protect against any alleged concerns about LEC cross-subsidization and discrimination in this area. In fact, those safeguards are already in place today. Moreover, the effectiveness of such safeguards already has been proven by seven years of experience with the BOCs' cellular affiliates who have provided efficient and effective service without any proof of alleged anticompetitive cross-subsidization or discrimination from their affiliated LEC and by seven years of experience of LEC interconnection with non-affiliated cellular companies on a nondiscriminatory basis. Thus, utilization of nonstructural safeguards would be far superior to arbitrarily singling out and denying or limiting access to the PCS markets to the LEC providers and/or their affiliates.

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[25]In this regard, a presumption against cellular and LEC participation would be more onerous than the standards imposed on the Bell Operating Companies ("BOCs") by the *Modification of Final Judgment* ("*MFJ*") for entering restricted lines of business. A showing of certainty, or at least a substantial possibility under Section VIII(c), of lessened competition is required under the *MFJ* to bar entry into restricted lines of business. Here, on the other hand, some parties will suggest that the Commission bar BOC entry into businesses that the BOCs <u>can</u> enter today, even under the *MFJ*, with virtually no proof whatsoever that the BOCs could impede competition in these markets. Such a presumption against BOC and LEC entry is inappropriate and should be rejected.

D. The Commission Should Not Place Limits On The Number Of PCS Licenses Or Amount Of PCS Spectrum That Can Be Held By An Individual Licensee In Multiple Markets Or In Markets Where It Does Not Have A Substantial Interest In An Existing Radio Operation.

The Commission also seeks comment on proposals to limit the number of new PCS licenses per provider, and/or to limit the amount of 2 GHz spectrum that may be held by individual PCS licensees.[26] SBC believes that it would be arbitrary and premature to establish specific rules on this subject beyond those which already exist in the cellular area. Accordingly, the Commission should adopt the third suggested alternative of not setting a specific standard and deciding any license merger questions on a case-by-case basis.

However, if the Commission disagrees, and wishes to place a limit on license ownership, it should not place such a limitation on carriers which have an interest in only a small percentage of a given market area (*e.g.*, 10% or less). Furthermore, while some may argue that there are reasons to limit the number of licenses or spectrum held by a single provider in a particular market area, the Commission should not limit the number of markets where a licensed provider may be eligible. Nor should the Commission limit an applicant to either 900 MHz narrowband

[26] *NPRM*, para. 81.

or 2 GHz PCS licenses. An entity should be allowed to have both licenses.

In fact, licensing in multiple markets should be encouraged as it will likely result in certain economies of scale, allow experience gained in one market to be used in another, and cause PCN systems to be more expeditiously deployed. The public interest would not be served by arbitrary proposals to limit either the number of PCS licenses, or the amount of spectrum that may be awarded to a qualified licensee in multiple markets, especially in markets where that licensee does not have a substantial interest in an existing radio operation.

E. The Commission Should Use The Same Licensing Service Areas For PCS That Were Used In Cellular Licensing, And It Should Not Award Nationwide Or Regional Licenses For 2 GHz PCS.

The Commission proposes four options for determining the appropriate 2 GHz PCS license service areas. All four options would allow larger service areas for PCS than is currently allowed for providers of cellular and cellular-based PCS services. As the Commission correctly observes, cellular systems were licensed based upon 734 metropolitan service areas and rural service areas (MSAs/RSAs). This contrasts with the proposals to license PCS using either 487 Basic Trading Areas ("BTAs"), 47 Major